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# NEW MEXICO BUSINESS

CURRENT ECONOMIC REPORT

Vol. 11 No. 2
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## The Impact of Federal Government Spending in the New Mexico Economy

The New Mexico economy is highly dependent upon federal spending. During fiscal year 1988, the federal government spent $8.69 billion in the state. On a per capita basis, that comes to $5,751.54, placing New Mexico second among all states. Virtually every major federal department contributed to that total, with the largest contributors being the Department of Energy, which funds the Sandia and Los Alamos national laboratories ($2.49 billion) and the Department of Defense, which funds the three Air Force bases and the White Sands Missile Range, ($1.53 billion). In addition, the U. S. Bureau of Indian Affairs, the Forest Service, the Postal Service, the Social Security Administration, the Veteran's Administration and the Federal Aviation Administration each have a significant presence in New Mexico.

The federal government has played a major role in the New Mexico economy since the 1940's. From 1967 to 1988 federal spending in New Mexico increased an average of 9.4 percent annually in dollar terms, and 3.3 percent annually in real terms, almost exactly the same growth rate as New Mexico nonagricultural employment.

New Mexico's economy is particularly dependent upon defense spending. Military activities, including nuclear weapons and Star Wars research at the Sandia and Los Alamos national laboratories, directly employed 54,678 workers with a payroll of $1.66 billion during fiscal year 1988. This included 16,285 active duty military personnel, 12,615 federal civilian employees and 25,778 private contractor employees working on military installations. These data were taken from the economic impact studies published by each military installation within the state.

The nonagricultural employment data series published by the New Mexico Department of Labor does not include active duty military personnel. Adding the 16,285 military personnel to the DOL total of 547,458 for 1988 yields a total of 563,743 jobs of all types in New Mexico during 1988. Of these, 54,678 or 9.7 percent were directly a result of defense spending. The payroll of $1.66 billion represents 15.3 percent of total wage and salary income earned in New Mexico during 1988. Evidently defense jobs are not only numerous, but well paying also. (NOTE: These figures do not include most of the Air Force Reserve and Air National Guard personnel stationed in New Mexico, nor do they include small military units such as ROTC and recruiting detachments stationed off the major military installations. Thus, the figures quoted just prior to this note represent a slight underestimate of the actual defense impact on the state.)

According to the data published by DOL, there were an additional 18,227 federal civilian employees in New Mexico during 1988 not connected with the military. Adding these non-defense jobs to the 54,678 defense-related jobs yields a total of 72,905 jobs directly supported by federal spending during 1988.

The federal spending impact picture is not yet complete, however. Private sector employers such as Honeywell and BDM Corp. in Albuquerque and Hughes Aircraft in Las Cruces, located away from military installations, receive the majority of their revenues from federal government contracts. Military retirees living in New Mexico, numbering about twenty thousand, received more than $250 million in pensions during 1988. The military installations and the Department of Energy also contribute to the local economy through purchases of utilities, services and construction. For 1988 these purchases were estimated at $1.497 billion. The Bureau of Business and Economic Research estimates that these local purchases supported another 13,500 jobs within the state. Thus, federal spending directly supports about 86,500 jobs within New Mexico, which represents 15.3 percent of all nonagricultural jobs. As a conservative estimate, each of those jobs indirectly supports one more private sector job (i. e., an employment multiplier of 2.0). The conclusion is that the federal government directly and indirectly accounts for more than thirty percent of all nonagricultural jobs in New Mexico.

The federal government also has a substantial impact on the New Mexico health care industry. On the one hand, it operates twelve hospitals within the state with a total budget of $172.2 million. The largest of these is the New Mexico Regional Federal Medical Center (formerly known as the VA Hospital) in Albuquerque. On the other hand, the federal government finances a major portion of New Mexico health care expen-

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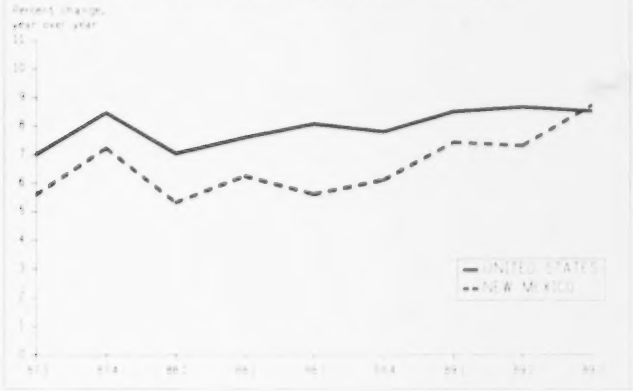
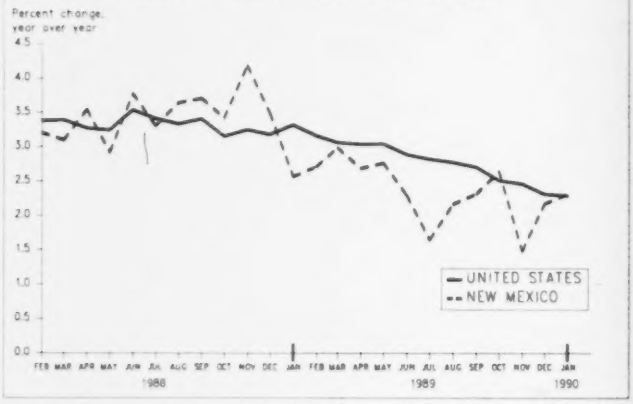
# ECONOMIC TRENDS IN NEW MEXICO

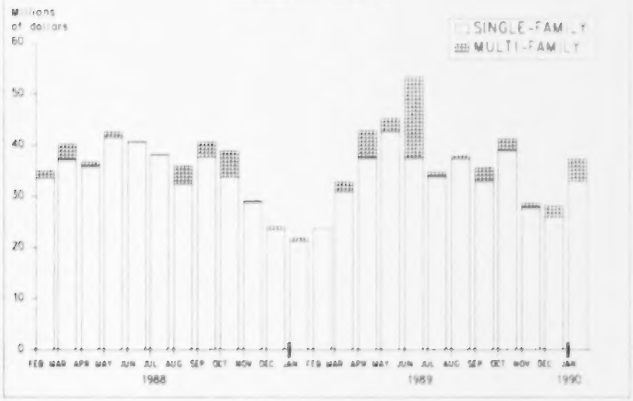
## TOTAL PERSONAL INCOME UNITED STATES AND NEW MEXICO




## NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT UNITED STATES AND NEW MEXICO

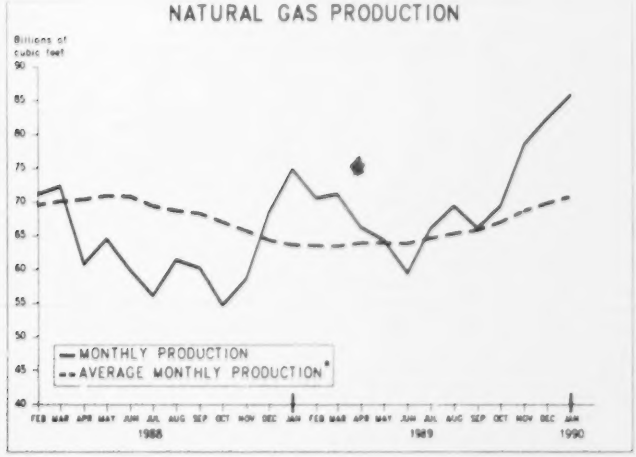



## RESIDENTIAL BUILDING PERMITS, DOLLAR VALUE

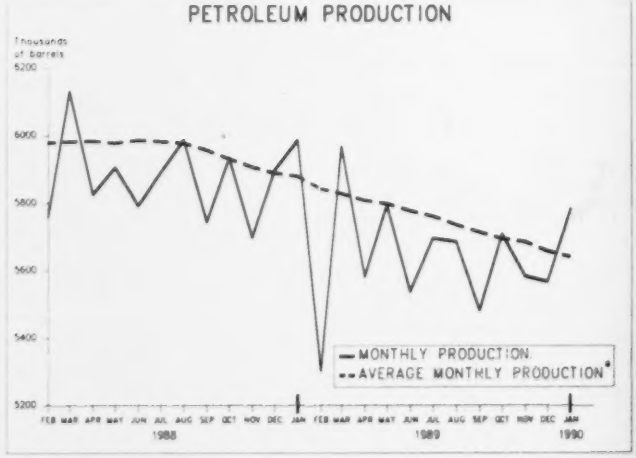



## NONRESIDENTIAL BUILDING PERMITS, DOLLAR VALUE

## NATURAL GAS PRODUCTION




## PETROLEUM PRODUCTION




*** 12 month moving average. For example, the point for August, 1988 represents an average of data from September, 1987 through August, 1988.**

# U.S. ECONOMIC INDICATORS

| | CURRENT MO/QTR | DATA | % CHANGE YEAR AGO | PREVIOUS MO/ QTR DATA |
|---|---|---|---|---|
| Consumer price index | | | | |
| All urban consumers (1982-84=100) | | | | |
| All items | Jan 90 | 127.4 | 5.2 | 126.1 |
| Food and beverages | Jan 90 | 130.0 | 6.6 | 127.2 |
| Housing | Jan 90 | 125.9 | 4.3 | 124.9 |
| Apparel and upkeep | Jan 90 | 116.7 | 1.2 | 119.2 |
| Transportation | Jan 90 | 117.2 | 5.5 | 115.2 |
| Medical care | Jan 90 | 155.9 | 8.4 | 154.4 |
| Entertainment | Jan 90 | 129.9 | 4.9 | 129.1 |
| Other goods and services | Jan 90 | 154.0 | 7.4 | 152.9 |
| Revised series, wage earners and clerical workers (1982-84=100) | | | | |
| All items | Jan 90 | 125.9 | 5.2 | 124.6 |
| Gross national product* ($Bil. constant) | Q4 89 | 4168.1 | 2.4 | 4042.7 |
| Prime interest rate** (% per annum) | Dec 89 | 10.5 | 0.0 | 10.5 |
| Mortgage interest rate*** (% per annum) | Dec 89 | 10.1 | 7.2 | 10.1 |
| 3 month treasury bill# (% per annum) | Dec 89 | 7.6 | -5.6 | 7.6 |
| Industrial production## (1977=100) | Dec 89 | 142.8 | 1.7 | 142.3 |
| Manufacturers new orders## ($Bil.) | Dec 89 | 244.2 | 2.2 | 239.7 |

# NEW MEXICO AND U.S. COMPARISONS

| | | NEW MEXICO | | | UNITED STATES | | |
|---|---|---|---|---|---|---|---|
| | CURRENT MO/QTR | CURRENT MO/QTR DATA | % CHANGE YEAR AGO | PREVIOUS MO/QTR DATA | CURRENT MO/QTR DATA | % CHANGE YEAR AGO | PREVIOUS MO/QTR DATA |
| Employment (000) | Jan 90 | 649.7 | 3.5 | 663.5 | 116,037 | 1.1 | 117,698 |
| Unemployment rate (%) | Jan 90 | 5.8 | - | 5.5 | 5.9 | - | 5.1 |
| Nonagricultural employment (000) | Jan 90 | 556.1 | 2.3 | 568.9 | 108,342 | 2.3 | 110,416 |
| Personal income### ($Mil.) | Q3 89 | 20,495 | 8.7 | 20,133 | 4,433,078 | 8.5 | 4,352,603 |
| Housing units permitted | | | | | | | |
| Single | Jan 90 | 335 | 18.0 | 299 | 60,971 | -0.5 | 56,549 |
| Multi | Jan 90 | 157 | 460.7 | 225 | 50,874 | 84.0 | 33,479 |

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Note: Selected data items subject to revision.
N Not available.
* 1982 dollars at seasonally adjusted annual rates.
** Closing rate for month.
*** Effective rate (in the primary market) on conventional mortgages, reflecting fees and charges as well as contract rate and assumed, on the average, repayment at end of 10 years.
# Rate on new issues within period; bank discount basis.
## Monthly data seasonally adjusted.
### Quarterly data seasonally adjusted at annual rates.
Sources: U. S. Department of Labor, News: CPI data;
New Mexico Department of Labor and U. S. Bureau of Labor Statistics: employment and unemployment data.
U. S. Department of Commerce, Bureau of Economic Analysis: income data;
U. S. Department of Commerce, Bureau of the Census: construction data.
U. S. Council of Economic Advisors, Economic Indicators: all other data.

# NEW MEXICO ECONOMIC INDICATORS

| | CURRENT MO/QTR | CURRENT DATA | % CHANGE YEAR AGO | PREVIOUS MO/QTR DATA | % CHANGE# 12 MONTH AVERAGES |
|---|---|---|---|---|---|
| 1. GENERAL | | | | | |
| Civilian labor force* (000) | Jan 90 | 689.6 | 2.5 | 702.3 | 1.4 |
| Total employment* (000) | Jan 90 | 649.7 | 3.5 | 663.5 | 2.7 |
| Unemployment* (000) | Jan 90 | 39.9 | -11.7 | 38.8 | -14.0 |
| Unemployment rate (%) | Jan 90 | 5.8 | - | 5.5 | - |
| Weekly new unemployment insurance claims | Jan 90 | 1536.0 | -3.2 | 1169.0 | -9.4 |
| Nonagricultural wage/salary employment**(000) | Jan 90 | 556.1 | 2.3 | 568.9 | 2.4 |
| Personal income*** ($ mil.) | Q3 89 | 20495.0 | 8.7 | 20133.0 | 7.4 |
| New business incorporations | Dec 89 | 245.0 | 5.2 | 180.0 | 4.9 |
| Business failure liabilities ($ 000) | Dec 89 | 1642.0 | 137.3 | 4004.0 | -61.1 |
| 2. AGRICULTURAL RECEIPTS | | | | | |
| Livestock and products ($ mil.) | Nov 89 | 123.0 | 7.5 | 106.5 | 0.0 |
| Crops ($ mil.) | Nov 89 | 54.1 | 25.2 | 49.0 | 18.2 |
| Total ($ mil.) | Nov 89 | 177.1 | 12.4 | 155.5 | 5.1 |
| 3. MINING | | | | | |
| Employment** (000) | Jan 90 | 14.8 | 5.0 | 15.0 | -2.7 |
| Average hourly earnings ($) | Jan 90 | 12.55 | 5.4 | 13.12 | 2.8 |
| Petroleum production (000 bbls.) | Jan 90 | 5780.6 | -3.4 | 5565.8 | -4.1 |
| Natural gas production (bil. cu. ft.) | Jan 90 | 85.8 | 14.7 | 82.3 | 11.3 |
| Coal production (000 short tons) | Jan 90 | 2279.0 | 28.8 | 1746.0 | 11.2 |
| Oil well completions& | Jan 90 | 50.0 | 72.4 | 28.0 | -10.8 |
| Gas well completions& | Jan 90 | 65.0 | 25.0 | 36.0 | 48.0 |
| Total footage drilled&& (000) | Jan 90 | 686.8 | 74.7 | 330.2 | -2.0 |
| Oil sales ($ mil.) | Nov 89 | 97.7 | 51.2 | 102.5 | 12.8 |
| Gas sales ($ mil.) | Nov 89 | 111.9 | 40.8 | 87.7 | -6.0 |
| 4. CONSTRUCTION | | | | | |
| Employment** (000) | Jan 90 | 26.9 | -2.5 | 29.3 | -1.3 |
| Average hourly earnings ($) | Jan 90 | 12.30 | 14.2 | 11.86 | 2.6 |
| Residential units permitted | Jan 90 | 492.0 | 57.7 | 524.0 | 2.6 |
| Residential building permits ($ mil.) | Jan 90 | 37.1 | 70.2 | 28.0 | 4.0 |
| Nonresidential building permits ($ mil.) | Jan 90 | 7.2 | -80.3 | 15.9 | -3.3 |
| Residential construction contracts ($ mil.) | Jan 90 | 26.7 | -2.6 | 35.4 | -11.7 |
| Nonresidential construction contracts ($mil.) | Jan 90 | 21.5 | -56.7 | 31.7 | -21.0 |
| Nonbuilding construction contracts ($ mil.) | Jan 90 | 28.1 | -43.7 | 18.0 | -16.8 |
| 5. TRANSPORTATION/COMMUNICATION/UTILITIES | | | | | |
| Employment** (000) | Jan 90 | 28.8 | 0.7 | 29.6 | 0.0 |
| Average hourly earnings## ($) | Jan 90 | 14.26 | -0.7 | 14.24 | 2.7 |
| 6. MANUFACTURING | | | | | |
| Employment** (000) | Jan 90 | 42.1 | 2.4 | 42.5 | 3.9 |
| Average hourly earnings ($) | Jan 90 | 9.00 | 1.0 | 8.99 | -1.6 |
| Electric & electronic equipment employment** (000) | Jan 90 | 5.5 | -3.5 | 5.6 | 5.6 |
| Transportation equipment employment** (000) | Jan 90 | 5.4 | 0.0 | 5.3 | 1.9 |
| Food & kindred products employment** (000) | Jan 90 | 4.5 | 15.4 | 4.8 | 7.5 |
| Textile & apparel employment** (000) | Jan 90 | 2.6 | -3.7 | 2.6 | 0.0 |
| Lumber & wood products employment** (000) | Jan 90 | 2.5 | 4.2 | 2.5 | 0.0 |

# NEW MEXICO ECONOMIC INDICATORS (continued)

| | CURRENT MO/QTR | CURRENT DATA | % CHANGE YEAR AGO | PREVIOUS MO/QTR DATA | % CHANGE# 12 MONTH AVERAGES |
|---|---|---|---|---|---|
| 7. TRADE | | | | | |
| Wholesale employment** (000) | Jan 90 | 24.3 | 2.1 | 24.6 | 2.5 |
| Retail employment** (000) | Jan 90 | 108.2 | 2.1 | 112.5 | 2.9 |
| Average hourly earnings ($) | Jan 90 | 7.26 | 3.9 | 7.19 | 4.0 |
| 8. FINANCE/INSURANCE/REAL ESTATE | | | | | |
| Employment** (000) | Jan 90 | 26.7 | 2.7 | 26.8 | -0.4 |
| Bank average hourly earnings ($) | Jan 90 | 6.71 | 1.7 | 7.03 | 7.6 |
| Bank total assets ($ mil.) | Q4 89 | 10727.0 | 5.5 | 10418.0 | 5.0 |
| Bank total deposits ($ mil.) | Q4 89 | 8977.0 | 3.9 | 8693.0 | 3.3 |
| Bank net loans ($ mil.) | Q4 89 | 5813.0 | 1.1 | 5789.0 | 1.6 |
| S & L total assets ($ mil.) | Oct 89 | 5068.0 | -8.9 | 5172.0 | -9.9 |
| S & L total deposits ($ mil.) | Oct 89 | 4446.0 | -5.2 | 4508.0 | -4.1 |
| S & L new mortgage loans closed&&& ($ mil.) | Oct 89 | 59.0 | -25.3 | 50.0 | -25.0 |
| 9. SERVICES AND TOURISM | | | | | |
| Total service employment** (000) | Jan 90 | 139.3 | 2.6 | 139.9 | 4.0 |
| Lodging employment** (000) | Jan 90 | 11.0 | 0.9 | 11.3 | 1.7 |
| Eating & drinking places employment** (000) | Jan 90 | 39.8 | 3.1 | 40.9 | 3.5 |
| Visits to state parks (000) | Jan 90 | 103.3 | -15.9 | 106.3 | -6.8 |
| Visits to national parks/monuments (000) | Jan 90 | 71.0 | -4.2 | 80.3 | 6.8 |
| Passenger traffic at Albuquerque airport@ (000) | Jan 90 | 346.9 | 6.7 | 380.7 | 9.3 |
| Lodgers tax receipts### ($ 000) | Q4 89 | 3078.8 | 21.3 | 3533.5 | 17.6 |
| Lodging occupancy rates (%) | Jan 90 | 49.7 | 9.2 | 46.1 | 5.1 |
| 10. GOVERNMENT | | | | | |
| Total government employment** (000) | Jan 90 | 145.0 | 3.2 | 148.7 | 2.3 |
| Federal employment** (000) | Jan 90 | 31.0 | 0.6 | 31.1 | 1.9 |
| State employment** @@ (000) | Jan 90 | 49.2 | 5.1 | 52.4 | 3.1 |
| Local employment** (000) | Jan 90 | 64.8 | 3.0 | 65.2 | 1.8 |
| Total general fund revenues@@@ ($ mil.) | Dec 89 | 133.8 | -3.1 | 135.5 | 4.7 |

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Note: selected data items subject to revision.
N Not available.
* Number of persons by place of residence.
** Number of jobs by place of work.
*** Quarterly data seasonally adjusted at annual rates.
& These include wells that are in the following categories: new drillings, deepened, plugged back, reentry and additional zone.
&& Oil and gas combined.
&&& New mortgage loans closed equals the previously carried item "Total loans closed" plus a relatively insignificant additional loan category.
# For example, in the report that contained June 1985 figures this would be the percent change in the average of July 1983 to June 1984 data versus the average of July 1984 to June 1985 data.
## Communications and utilities only.
### A portion of the increase in lodgers tax receipts is attributable to an increase in the rate levied by the City of Santa Fe. The rate increased from 3 to 4 percent as of July 1, 1987.
@ Passenger traffic includes enplanements and deplanements.
@@ This figure includes full and part time employment at Los Alamos National Laboratory (LANL). Full time equivalent employment (FTE) at LANL is 7,700 as of April 1989 according to LANL Personnel Dept.
@@@ Includes recurring and non-recurring revenues.

Sources: New Mexico Department of Labor: Sections 1, 3, 4, 5, 6, 7, 8, 9, 10;
Dun and Bradstreet, Inc.: Section 1;
U. S. Dept of Commerce, Bureau of Economic Analysis: Section 1;
USDA Statistical Reporting Service: Section 2;
New Mexico Energy, Minerals and Natural Resources Dept., Oil and Gas Conservation Division: Section 3;
New Mexico Taxation and Revenue Dept., Oil and Gas Accounting Division: Section 3;
U. S. Dept. of Energy, Energy Information Administration: Section 3;
U. S. Dept. of Commerce, Bureau of the Census: Section 4;
F. W. Dodge Company (a division of McGraw Hill, Inc.): Section 4;
U. S. Federal Reserve: Section 8;
Federal Home Loan Bank of Dallas: Section 8;
U. S. Federal Deposit Insurance Corporation: Section 8;
New Mexico Energy, Minerals and Natural Resources Dept., Park and Recreation Division: Section 9;
U. S. National Park Service: Section 9;
City of Albuquerque, Albuquerque International Airport: Section 9;
New Mexico Dept. of Finance and Administration, Local Government Division: Section 9;
Pannell, Kerr and Forster: Section 9;
New Mexico Dept. of Finance and Administration: Section 10.

# CITIES, COUNTIES AND FEATURES

GROSS RECEIPTS# FROM RETAIL TRADE
TOP 20 CITIES
($000)

| | CURRENT 3 MONTH AVERAGE* NOV-JAN | % CHANGE AVERAGE YEAR AGO | PREVIOUS 3 MONTH AVERAGE* AUG-OCT |
|---|---|---|---|
| Alamogordo | $ 15,761 | 3.3 | $ 16,558 |
| Albuquerque | 286,526 | 15.0 | 265,659 |
| Artesia | 6,030 | 20.8 | 5,102 |
| Carlsbad | 13,700 | 10.9 | 13,877 |
| Clovis | 18,131 | -3.3 | 17,619 |
| Deming | 6,455 | 0.6 | 6,165 |
| Espanola | 7,202 | 6.2 | 7,302 |
| Farmington | 37,468 | 15.5 | 31,045 |
| Gallup | 25,231 | 7.9 | 22,997 |
| Hobbs | 18,102 | 4.0 | 16,158 |
| Las Cruces | 41,255 | 5.6 | 36,645 |
| Las Vegas | 6,767 | 12.9 | 6,309 |
| Los Alamos | 8,051 | 32.6 | 7,679 |
| Portales | 5,586 | 2.3 | 4,998 |
| Rio Rancho | 6,139 | 13.5 | 5,877 |
| Roswell | 23,761 | 21.2 | 20,815 |
| Ruidoso | 6,153 | 9.0 | 7,475 |
| Santa Fe | 65,385 | 14.8 | 67,745 |
| Silver City | 9,246 | 5.6 | 8,501 |
| Taos | 9,822 | 24.9 | 10,137 |
| State total | 780,206 | 12.7 | 754,615 |

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\# Gross receipts reported are for gross receipts tax purposes, which do not include all the receipts of all firms.
* Averages are used to smooth out fluctuations in the data, which are not caused by changes in economic conditions.

Source: New Mexico Taxation and Revenue Department.

NEW MEXICO CONSTRUCTION@
SELECTED CITIES

| | NUMBER OF BUILDING UNITS OR PERMITS * | | | | VALUE OF BUILDING PERMITS ($000) | | | |
|---|---|---|---|---|---|---|---|---|
| | JAN. 1990 | JAN. 1989 | CUMULATIVE TOTAL THROUGH JAN. 1990 | CUMULATIVE TOTAL THROUGH JAN. 1989 | JAN. 1990 | JAN. 1989 | CUMULATIVE TOTAL THROUGH JAN. 1990 | CUMULATIVE TOTAL THROUGH JAN. 1989 |
| NEW RESIDENTIAL** | | | | | | | | |
| Alamogordo | 3 | 3 | 3 | 3 | $ 221 | $ 174 | $ 221 | $ 174 |
| Albuquerque, Total | 151 | 111 | 151 | 111 | 10,587 | 8,086 | 10,587 | 8,086 |
| Single Family | 133 | 111 | 133 | 111 | 10,155 | 8,086 | 10,155 | 8,086 |
| Multi Family | 18 | 0 | 18 | 0 | 432 | 0 | 432 | 0 |
| Carlsbad | 4 | 0 | 4 | 0 | 214 | 0 | 214 | 0 |
| Clovis | 21 | 0 | 21 | 0 | 6,590 | 0 | 6,590 | 0 |
| Farmington | 2 | 0 | 2 | 0 | 132 | 0 | 132 | 0 |
| Hobbs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Las Cruces | 38 | 45 | 38 | 45 | 1,898 | 2,125 | 1,898 | 2,125 |
| Los Alamos | 1 | 1 | 1 | 1 | 170 | 280 | 170 | 280 |
| Rio Rancho | 29 | 58 | 29 | 58 | 1,625 | 2,944 | 1,625 | 2,944 |
| Roswell | 2 | 14 | 2 | 14 | 118 | 541 | 118 | 541 |
| Ruidoso | 1 | 4 | 1 | 4 | 71 | 253 | 71 | 253 |
| Santa Fe | 31 | 16 | 31 | 16 | 3,168 | 1,639 | 3,168 | 1,639 |
| NEW NONRESIDENTIAL | | | | | | | | |
| Alamogordo | 2 | 7 | 2 | 7 | 231 | 130 | 231 | 130 |
| Albuquerque | 4 | 2 | 4 | 2 | 1,626 | 31,220 | 1,626 | 31,220 |
| Carlsbad | 5 | 5 | 5 | 5 | 18 | 176 | 18 | 176 |
| Clovis | 2 | 2 | 2 | 2 | 289 | 132 | 289 | 132 |
| Farmington | 1 | 0 | 1 | 0 | 40 | 0 | 40 | 0 |
| Hobbs | 3 | 0 | 3 | 0 | 772 | 0 | 772 | 0 |
| Las Cruces | 6 | 7 | 6 | 7 | 790 | 521 | 790 | 521 |
| Los Alamos | 1 | 0 | 1 | 0 | 80 | 0 | 80 | 0 |
| Rio Rancho | 0 | 2 | 0 | 2 | 0 | 246 | 0 | 246 |
| Roswell | 3 | 5 | 3 | 5 | 6 | 222 | 6 | 222 |
| Ruidoso | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Santa Fe | 6 | 5 | 6 | 5 | 431 | 2,177 | 431 | 2,177 |

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Note: Top twelve cities chosen on basis of residential construction activity during the period 1982 through 1984.
@ Data refer only to permits authorized for private construction projects. Public buildings and projects are excluded.
* Residential data shows the number of permitted units, while nonresidential data shows the number of permits.
** Residential data includes both single and multi-family units. In the case of Albuquerque, single and multi-family units are also shown separately.

Sources: U. S. Department of Commerce, Bureau of the Census: all cities, except for Rio Rancho;
City of Rio Rancho: Rio Rancho only.

# CITIES, COUNTIES AND FEATURES (continued)

ESTIMATED CIVILIAN LABOR FORCE AND EMPLOYMENT
(000)

| | NEW MEXICO | | | ALBUQUERQUE MSA* | | | LAS CRUCES MSA** | | | SANTA FE MSA*** | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | JAN. p | % CHANGE YEAR AGO | DEC. r | JAN. p | % CHANGE YEAR AGO | DEC. r | JAN. p | % CHANGE YEAR AGO | DEC. r | JAN. p | % CHANGE YEAR AGO | DEC. r |
| TOTAL CIVILIAN LABOR FORCE | 689.6 | 2.5 | 702.3 | 259.3 | 0.3 | 265.7 | 57.4 | 7.1 | 59.6 | 66.8 | 3.4 | 67.4 |
| Employment@ | 649.7 | 3.5 | 663.5 | 248.2 | 1.1 | 254.5 | 54.0 | 7.1 | 56.4 | 63.8 | 3.4 | 65.1 |
| Unemployment | 39.9 | -11.7 | 38.8 | 11.1 | -13.3 | 11.2 | 3.4 | 6.3 | 3.2 | 3.0 | 3.4 | 2.3 |
| Unemployment rate (%) | 5.8 | - | 5.5 | 4.3 | - | 4.2 | 5.9 | - | 5.4 | 4.5 | - | 3.4 |
| NONAGRICULTURAL WAGE & SALARY EMPLOYMENT | 556.1 | 2.3 | 568.9 | 238.8 | 1.5 | 244.1 | 43.3 | 5.6 | 44.5 | 55.7 | 1.5 | 57.3 |
| Mining | 14.8 | 5.0 | 15.0 | 0.1 | 0.0 | 0.1 | 0.1 | 0.0 | 0.1 | 0.1 | 0.0 | 0.1 |
| Contract construction | 26.9 | -2.5 | 29.3 | 12.7 | 0.0 | 13.4 | 2.2 | 0.0 | 2.3 | 2.5 | -3.8 | 2.7 |
| Manufacturing | 42.1 | 2.4 | 42.5 | 21.1 | 1.0 | 21.2 | 3.6 | 0.0 | 3.7 | 1.7 | 0.0 | 1.8 |
| Durable goods | 28.4 | 1.1 | 28.4 | 15.1 | 0.0 | 15.2 | 1.6 | 0.0 | 1.6 | 1.1 | 0.0 | 1.2 |
| Nondurable goods | 13.7 | 5.4 | 14.1 | 6.0 | 3.4 | 6.0 | 2.0 | 0.0 | 2.1 | 0.6 | 0.0 | 0.6 |
| Transportation & public utilities | 28.8 | 0.7 | 29.6 | 12.6 | 0.8 | 12.8 | 1.7 | 6.3 | 1.7 | 0.9 | -10.0 | 1.0 |
| Trade | 132.5 | 2.1 | 137.1 | 59.9 | -0.3 | 62.4 | 9.0 | 3.4 | 9.3 | 10.7 | 2.9 | 11.1 |
| Wholesale | 24.3 | 2.1 | 24.6 | 14.5 | 0.7 | 14.6 | 1.0 | 0.0 | 1.0 | 1.0 | 11.1 | 1.0 |
| Retail | 108.2 | 2.1 | 112.5 | 45.4 | -0.7 | 47.8 | 8.0 | 2.6 | 8.3 | 9.7 | 2.1 | 10.2 |
| Finance, insurance, & real estate | 26.7 | 2.7 | 26.8 | 14.1 | -0.7 | 14.3 | 1.7 | 0.0 | 1.7 | 1.9 | -5.0 | 1.9 |
| Services | 139.3 | 2.6 | 139.9 | 70.7 | 2.6 | 71.2 | 7.9 | 11.3 | 8.0 | 14.8 | 0.7 | 15.2 |
| Government | 145.0 | 3.2 | 148.7 | 47.6 | 3.9 | 48.7 | 17.2 | 6.2 | 17.8 | 23.2 | 3.1 | 23.6 |
| Federal | 31.0 | 0.6 | 31.1 | 13.5 | 0.7 | 13.5 | 4.3 | 2.4 | 4.4 | 1.6 | -5.9 | 1.6 |
| State | 49.2 | 5.1 | 52.4 | 12.0 | 7.1 | 13.1 | 7.0 | 11.1 | 7.6 | 17.3 | 4.2 | 17.6 |
| Local | 64.8 | 3.0 | 65.2 | 22.1 | 4.2 | 22.1 | 5.9 | 3.5 | 5.8 | 4.3 | 2.4 | 4.4 |

N Not available, less than 50 jobs.
P Preliminary.
R Revised.

* Bernalillo County.
** Dona Ana County.
*** Santa Fe and Los Alamos Counties.
@ Includes labor disputes.

Source: New Mexico Department of Labor.

# The Impact of Federal Government . . .

*(continued from page 1)*

ditures through the Medicare and Medicaid programs. During fiscal year 1988, these payments amounted to more than $530 million, almost triple what they were in 1980. Overall during FY88, the federal government spent about $700 million in New Mexico for health care, which represents about a third of the estimated $2.1 billion New Mexico health care gross receipts for that year.

The large role played by the federal government in the New Mexico economy is not likely to continue unabated for too many more years. Recent international political events have led to declines in defense spending with the promise of more to come. Continuing large federal budget deficits suggest the very real liklihood of general reductions in federal spending. In either case the implications for the New Mexico economy are not good. As it turns out, the recent defense cuts have not brought bad news to the home front; indeed, the state seems to have come out rather well, at least in terms of military base closures and personnel transfers. But the spectre remains, and the New Mexico economy still faces an uncertain future as regards the federal government.

Lawrence A. Waldman
Economist

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